

DAM REVIEW COMMITTEE
NOVEMBER 7, 2006

PRESENT: Lulham, Mehig, Sanderson, Sarrazin, Sawyer, Williams.

ABSENT: Burwell, Crawford (excused).

GUESTS: Merilee Lawson, City Assessor; Cheryll Warren, The Argus Press; Helen Granger, The Independent; and other concerned citizens.

The meeting was called to order by Chairperson Mehig, at 7:14 p.m., in the Corunna/Caledonia Fire Department training room.

Sawyer announced that the next meeting of the Dam Review Committee will be November 21, 7 p.m., at Corunna City Hall. Spicer Group and Capital Consultants, along with the company they work with, SME, will be there to present their plans for the dam. He also announced that the bid process for the temporary fix to the west bank should be completed soon. Plans are to have the bid awarded at the first council meeting in December. The cost estimate came in at \$20,000. This fix will keep the west bank from deteriorating further.

NEW BUSINESS: Sawyer went over his Improvement Budget Analysis Report. This gave the committee a current view of the city's money situation. The City Improvement Fund was discussed first. This is funded by the 20 year, five-mill levy. This fund can finance water, sanitary sewer, storm sewer, sidewalk, and street construction only. By the end of 2015/2016, the city will have an estimated \$1.4-\$1.5 million in this fund for projects. If the language of this millage is changed, to allow for dam construction, the cost of the dam project would exhaust the current fund and no other city projects could be started for ten years.

He then went over the revenue from the Sewer Capital Charge (SI) and the Water Capital Charge (CI) on the city's water/sewer bills. These charges are used for water and sewer projects. The sewer fund does not have extra funds to work with over the next ten years. However, the water fund should generate approximately \$1.5 million in that time. Because of the need in the sewer fund, at some point, council will likely raise the SI charge but lower the CI charge to match. The idea is to keep water/sewer bills stable and, in the future, lower them after the completion of projects. Currently, storm sewers are not funded.

The Major and Local Street Funds were then discussed. The main funding for streets comes from the state's weight and gas tax. Local streets are only funded to maintain. Major streets get more funding because of wear and tear on the streets, as determined by the state. The city has about \$100,000 a year for major street projects. Local streets receive PA 48 Metro Act money, paid by utilities to have their poles and lines in the right of ways, but operating revenue still only comes to about \$87,000. This is not enough for expenditures. The city supplements the local streets with the General Fund or it is transferred from the Major Street Fund. It is estimated that, over 12 years, we will generate approximately \$1.2 million for major street projects.

Next, Sawyer discussed the Improvement Budget Analysis in each of these funds if the five-mill levy is extended for another ten years. He estimates that additional money generated will increase the City Improvement Fund to \$6 million. With a language change to the millage, this money could be used for dam repair. The other project funds would increase, as well, generating money for additional city projects.

John Lawson asked if inflation was added into the model. Sawyer stated that he estimated a 2% model growth in street operating expenses and a 3% in city improvement. The SI and CI are currently fixed. The bond numbers are from tables and will not change. The expense for winter maintenance is the only unknown in the budget.

Sawyer then went over the updates to the estimated cost for dam repair or replacement. Total removal is now \$900,000, rapid construction is \$550,000, upgrading the dam is \$1,000,000, and a new dam is \$2,100,000. A roller compacted dam will cost approximately \$1.1 million. Engineering will probably add 10% to these costs. With the RCC (roller compacted) dam, the sluice gate could be eliminated from the cost, bringing the estimate down.

There was agreement from the commission and guests that a millage extension would be more likely to pass the voters than an increase in the millage. Everyone felt that it was too early to start campaigning for the extension right now. A detailed proposal to the voters needs to be formed explaining what the city has done with the five mills in the past ten years and what can be done in the future if the ten year extension is approved.

Mehigh adjourned the meeting at 8:00 p.m.

Don Mehigh, Chairperson